

WHY DOES BUSINESS ACUMEN MATTER?



How does a company make money? How does our company make money? How do our customers make money? How do our competitors make money? Four questions that everyone working in a company should be able to answer regardless of the role or experience level. Business Acumen is a critical behavioral competency needed to succeed in today's complex global business environment. Having Business Acumen and financial literacy skills enables leaders and individual contributors to make aligned decisions that drive the best business results for their own companies and their customers.

Advantexe defines Business Acumen as the deep and applicable understanding of the system of how a business executes its strategy to achieve its goals and objectives. Business Acumen includes a thorough understanding of the "levers" that create, position, and deliver a value proposition to customers and how to measure success through profitability, cash flow, and creation of shareholder value.

The graphic below illustrates the importance of Business Acumen for each functional audience and some of the key groups within your organization.

RESEARCH & DEVELOPMENT

Enhanced business skills help R&D professionals assess the commercial viability of products and services as well as understand the role of R&D within the business enterprise.

Business Acumen skills identify the drivers of profitability that will translate into actionable decision-making and corporate alignment.

SALES

Based on the premise that business decision makers buy from businesspeople (not just salespeople), business acumen provides deeper insights into business value and positions sales professionals as experts and trusted advisors.

MARKETING

To create awareness and drive the life-time value of a customer, marketing needs to fully understand market trends, segments, and buyer purchasing to develop effective communication programs that drive demand and a build brand.

SUPPLY CHAIN

Supply chain leaders need to be aligned with the overall strategy of the organization. Having increased business acumen skills allows supply chain professionals to make the best business decisions regarding suppliers, materials, logistics, production, processes, and other functional business areas to manage costs and drive revenue.



CUSTOMER SERVICE

Customer and technical service teams drive the support behind the implementation of your products/ services. Stronger business skills enhance their ability to provide the appropriate level and service, and drive higher customer satisfaction.

HUMAN RESOURCES

HR professionals need to have a seat at the table and execute the strategy through human capital management. Business Acumen is critical so HR can add value in terms of talent acquisition, performance management, on-boarding, and developing talent.

FINANCE

Business is systemic. Too often finance professionals make decisions directly from a spread sheet without understanding the strategy, goals, and the interrelationship of business functions that will affect the financial metrics and outcomes.

HIGH POTENTIAL & EMERGING LEADERS

High potential leaders are your next generation of leaders. This group must understand the entire system of business to make the appropriate decisions that drive strategy execution.

NEW HIRES

New hires are the future performers and leaders of your organization. Often new hires enter the organization right out of college and are lacking the fundamentals of business and how business works.

